FEDERAL BUREAU OF INVESTIGATION
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(12/31/1995)

FEDERAL BUREAU OF INVESTIGATION

Precedence: ROUTINE **Date:** 06/02/1997

To: Columbia

From: [redacted]
SQ 5/Myrtle Beach RA

Approved By: [redacted]

Drafted By: [redacted]:pc

Case ID #: 139C-CO-NEW (Pending) b6 b7C

Title: [redacted] aka,
-0-210 139C-CO-16245-A2
DBA, RADIO SHACK, 9-0-274
[redacted] SC;
JONES INTERCABLE, 913-CO-14863
MURRELLS INLET, SC - VICTIM; 139C-CO-18602
IOC - SIGNAL THEFT;

Synopsis: Opening of investigative matter.

Details: On 05/13/1997, [redacted] advised that he has been conducting private investigations for Jones Intercable, 11546 Highway 17 South, Murrells Inlet, SC. [redacted] provided the following information: b6 b7C

Over the past two years, Jones Intercable has received numerous complaints indicating that [redacted] the Radio Shack in [redacted] SC, is [redacted] in the Grand Strand area installing pirated chips. These chips allow the users of cable to receive free programs such as movies, fights, the Spice and Playboy channels, etc. These users only pay for basic services and the amount of money lost by Jones Intercable is enormous.

AUSA [redacted], Columbia, SC, previously prosecuted installers and has stated [redacted] b6 b7C b7E

A source of [redacted] from [redacted] agreed to assist [redacted] regarding [redacted] b6 b7C b7D

In early May 1997, [redacted] and an associate engaged the [redacted] in conversation. [redacted] agreed to put an illegal chip in a computer for [redacted] took the converter box to

SEARCHED
FOIMS JW
MANUAL JW
INDEXED 6.7.97
SERIALIZED JW

6/5/97

139C-CO-23576-1

SEARCHED INDEXED
SERIALIZED JW FILED JW
JUN - 7 1997
FBI - COLUMBIA

b6 b7C

To: Columbia From: [redacted]
Re: 139C-CO-NEW, 06/02/1997

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b7C

[redacted] at the Radio Shack in [redacted] On [redacted] picked the converter up and paid [redacted] $150 cash. [redacted] agreed to do as many converters as [redacted] could supply him. [redacted] told [redacted] to be careful in regard to Jones Intercable and the FBI and further stated that [redacted] would not get into trouble as a user.

[redacted] intends to provide additional converters to [redacted] for installation of the illegal chip [redacted] has information regarding [redacted] individuals who have had the chip installed by [redacted]

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[redacted] has requested that the FBI pursue a case against [redacted] and has advised once he has completed his investigation, he will turn everything over to the FBI and assist in arranging for the arrest of [redacted] while in the process of providing a converter box with an illegal chip installed and receiving money for this installation.

It is recommended that this matter be opened and assigned to SA [redacted]

Descriptive Data:

Main Subject
Race:
Sex:
Name -
Last:
First:
Middle:
DDN:
DOB:
Alias(es):
Last:
First:
Middle:
DDN:
Miscellaneous -
Height:
Weight:
Hair:

[redacted]

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b7C

CC: 1 - Case Agent
♦♦

(Title) _____

(File No.) _____

Item	Date Filed	To be returned Yes	To be returned No		Disposition
1	6/24/97		✓	REPORT OF INVESTIGATION	
2	6/26/97		✓	LETTER FROM [redacted]	
				THE QUALITICS GROUP, INC	
3	6/26/97		✓	SC AL # [redacted]	
				[redacted]	

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b7C

139C-CO-23576-1A

SEARCHED ____ INDEXED ____
SERIALIZED ____ FILED ____

JUN 24 1997

FBI - COLUMBIA

FD-340 (Rev. 7-29-92)

Universal Case File Number 139C-CO-23576-1A1

Field Office Acquiring Evidence CO

Serial # of Originating Document

Date Received 6/18/97

From

By

(Name of Special Agent)

b6
b7C

To Be Returned ☐ Yes ☒ No

Receipt Given ☐ Yes ☒ No

Grand Jury Material - Disseminate Only Pursuant to Rule 6 (e) Federal Rules of Criminal Procedure

☐ Yes ☒ No

Title:

Reference:

(Communication Enclosing Material)

Description: ☐ Original notes re interview of

Report of Investigation

INVESTIGATION REGARDING JONES INTERCABLE, INC.
MURRELL'S INLET, SOUTH CAROLINA

On October 17, 1995, [redacted] Jones Intercable, Murrell's Inlet, South Carolina, advised [redacted] Investigators [redacted] that she had had a telephone interview with an individual named [redacted] (PROTECT IDENTITY), residing at [redacted] South Carolina, concerning the illegal installation of de-scrambling devices (converter chips) in [redacted] South Carolina area. She advised that [redacted] (PROTECT IDENTITY) told her [redacted]

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b7C
b7D

[redacted] advised that [redacted] (PROTECT IDENTITY) had agreed to talk with Private Investigators [redacted] concerning [redacted]

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b7D

2-T\INS-1.JI

[redacted] advised that they would convert any boxes brought to them by Private Investigators [redacted] and cautioned that these boxes, once the illegal chip was installed, were never to be returned or taken back to the cable company for any reason because the illegal device would be detected. [redacted] advised that they would only deal with Private Investigators [redacted] as they would not meet or do business with the owners of any converter boxes brought to them. b6 b7C

[redacted] remarked that with the illegal chip it would be possible to get, free of charge, every channel provided by the cable company, while only paying for basic cable.

[redacted] Jones Intercable provided Private Investigators [redacted] with $500.00 in cash for the purchase of illegal chips from [redacted] At the same time, Jones Intercable provided five Tocom converter boxes with the following serial numbers: b6 b7C

[redacted] b4

Jones Intercable personnel photographed the interior of each converter box and attached security labels to the boxes.

[redacted] Private Investigators [redacted] arrived at the Radio Shack, [redacted] South Carolina, and met with [redacted] At this time, a Tocom converter, Serial Number [redacted] was provided to [redacted] for the installation of an illegal chip. Upon receiving the converter box [redacted] immediately tore off the security labels. [redacted] at the same time commented that individuals using the converter box could be fined by the cable company for the use of the illegal chip, however, individuals such as him that installed the illegal chips could be fined heavily, or go to jail. b6 b7C b4

During this time [redacted] was present with [redacted] who was a large male, in his [redacted] wearing a beard and having his hair in a ponytail.

[redacted] stated that he would place an illegal chip in the converter box and have it ready to be picked up the following morning around 10:00 a.m. - 11:00 a.m. He stated the cost for the installation would be $150.00 and it would have to be paid in cash. b6 b7C

[redacted] stated that in addition to installing the illegal chip, he would install a toggle switch to be used in the event the cable company scrambled the reception. b6 b7C

Upon exiting the Radio Shack, [redacted] vehicles, apparently belonging to [redacted] were observed parked in front of the establishment. These vehicles bore South Carolina license tags [redacted]

[redacted] Private Investigators [redacted] telephoned [redacted] at the Radio Shack at approximately 12:30 p.m. At this time [redacted] advised that he would have the converter box available for pick up in approximately 10 minutes.

At 1:30 p.m. Private Investigators [redacted] entered the Radio Shack and met [redacted] in the rear of the building. The rear of the building houses a work/repair area for televisions, VCRs and conversion boxes. b6 b7C

At this time, in the company of [redacted] demonstrated the effect of the illegal chip and explained the function of the toggle switch.

[redacted] was paid $150.00 in cash, consisting of seven $20.00 bills and one $10.00 bill.

[redacted] was advised that Private Investigators [redacted] had approximately three more boxes to be converted and advised if the boxes were brought to him only by [redacted] he would make the conversion for $150.00 cash each. At this time [redacted] remarked that he could put an illegal chip in any system or converter box, as long as he had the make and model number. b6 b7C

[redacted] cautioned Investigators [redacted] about always keeping the converter box out of the site of renters or anyone else that might be in a position to detect the illegal chip and report it to authorities.

Upon exiting, and with the agreement to meet again in the near future, [redacted] again cautioned that he would only deal with Private Investigators [redacted] and would not "meet anyone else", to include [redacted] of additional converter boxes. b6 b7C

Upon observation of the converter box, serial number [redacted] it was determined that a toggle switch had been installed and two security labels and the serial number label had been removed from the box. b4

The converter box was closed by [redacted] prior to leaving the Radio Shack, however, while at the business establishment [redacted] b6 b7C

removed the cover of the box and the illegal chip was pointed out in the box by [redacted] b6 b7C

Tocom converter box serial number [redacted] was marked for identification and was provided appropriate security. b4

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FD-340 (Rev. 7-29-92)

Universal Case File Number 139C-CO-23576-1A2

Field Office Acquiring Evidence _____

Serial # of Originating Document _____

Date Received 5/19/97

From [redacted]

b6
b7C

By [redacted]
(Name of Special Agent)

To Be Returned ☐ Yes ☐ No
Receipt Given ☐ Yes ☐ No
Grand Jury Material - Disseminate Only Pursuant to Rule 6 (e)
Federal Rules of Criminal Procedure
☐ Yes ☐ No

Title: [redacted]

b6
b7C

AKA Radio Shack;
IOC

Reference: _____
(Communication Enclosing Material)

Description: ☐ Original notes re interview of

Letter from [redacted]

b6
b7C

FD-340 (Rev. 7-29-92)

Universal Case File Number 139C-CO-23576-AB

Field Office Acquiring Evidence _____

Serial # of Originating Document _____

Date Received 5/27/97

From NCIC
(Name of Contributor)

FBI
(Address of Contributor)

Columbia, SC
(City and State)

By [redacted]
(Name of Special Agent)

To Be Returned ☐ Yes ☐ No
Receipt Given ☐ Yes ☐ No
Grand Jury Material - Disseminate Only Pursuant to Rule 6 (e)
Federal Rules of Criminal Procedure
☐ Yes ☐ No

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b7C

Title: [redacted]

DBA Radio Shack;
IOC

Reference: _____
(Communication Enclosing Material)

Description: ☐ Original notes re interview of

SC DL # [redacted]

[redacted]

b6
b7C

DJM:pc
139C-CO-23576
1

The following investigation was conducted by Special Agent [redacted] on June 18, 1997, at Myrtle Beach, South Carolina:

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Private investigators [redacted] appeared at the Myrtle Beach Resident Agency of the FBI and provided a copy of the results and status of their undercover purchases of illegal computer chips for cable television converter boxes. This report is contained in the 1A section of this file.

139C-CO-23576-2
SEARCHED.....INDEXED.....
SERIALIZED.....FILED.....
JUN 1 0 1997
FBI - COLUMBIA

(12/31/1995)

FEDERAL BUREAU OF INVESTIGATION

Precedence: ROUTINE **Date:** 11/19/1997

To: Columbia

From: [redacted]
Squad 5/MBRA

b6
b7C

Approved By: [redacted]

Drafted By: [redacted]

Case ID #: 139C-CO-23576 (Pending)

Title: [redacted] aka,
DBA Radio Shack,
[redacted]
Jones Intercable,
Murrels Inlet, SC - Victim;
IOC-Signal Theft

b6
b7C

Synopsis: To reassign captioned matter to SA [redacted]

Details: [redacted] a private investigator, has been retained by Jones Intercable to conduct an investigation into the illegal replacement of chips in their cable television boxes by [redacted] [redacted] in an undercover capacity, has been able to provide [redacted] with converter boxes which have had their chips replaced by [redacted] Over the past month [redacted] has been dealing with SA Long.

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In view of the above, it is requested that captioned investigation be reassigned to SA [redacted]

CC: SA [redacted]
SA

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139C-CO-23576-4

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NOV 20 1997
FBI - COLUMBIA

Reassigned to [redacted] 11/20/97

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FD-302 (Rev. 10-6-95)

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 12/05/97

[redacted] was interviewed at his place of employment, The Radio Shack [redacted] After being advised of the identity of the interviewing Agent and the nature of the interview, he provided the following information: b6 b7C

Approximately two and a half to three years ago, [redacted] started reading about placing "chips" inside cable converter boxes in order to receive all cable channels put out by the cable companies. [redacted] stated that several magazines, as well as the Internet, gave detailed descriptions on how to do it. [redacted] stated that he experimented with putting a "chip" inside a converter box and realized that it in fact did work at receiving all cable channels. [redacted] advised that he purchased two or three converter boxes, put the "chips" inside them and then sold the boxes for $150 dollars per box. b6 b7C

Over the last three years [redacted] advised that he would get requests from people in the area to have a "chip" put into their converter boxes. [redacted] would order the "chips" by mail, take the converter box to his work bench in the rear of Radio Shack, and put the chip inside. [redacted] stated that friends he knew would come into the store and would have several converter boxes with them. [redacted] did not know who owned the individual converter box, but through the friend, [redacted] explained how the box worked and how to avoid being caught by the cable company. [redacted] advised that he never received more than three converter boxes at one time. [redacted] advised initially that he had "chipped" converter boxes for approximately fifteen to twenty people. He then admitted that there were probably more. b6 b7C

[redacted] identified the company where he was obtaining the "chips" from as: b6 b7C

[redacted]

139C-CO-23576-5

SEARCHED ..... INDEXED ..... SERIALIZED ..... FILED ..... DEC 1 1997 FBI - DENVER

Investigation on 12/04/1997 at [redacted]

File # 139C-CO-23576 Date dictated ~~12/05/1997~~

by SA [redacted] b6 b7C

This document contains neither recommendations nor conclusions of the FBI. It is the property of the FBI and is loaned to your agency; it and its contents are not to be distributed outside your agency.

[redacted] advised that each chip cost him $35 dollars. [redacted] further stated that out of the $150 dollars he charged per box, he would make $75 dollars in profit per box. [redacted] advised that he would use the names [redacted] or [redacted] when ordering the "chips" by mail. [redacted] stated that [redacted] produced five "chips" used in the Time Warner converter boxes and several other "chips" he uses for the Jones Intercable converter boxes.

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At the time of the interview, [redacted] was able to identify approximately twelve individual persons who have had a "chip" placed into their converter box by [redacted] He stated that he needed more time to try and remember more names. [redacted] did confirm that he had placed "chips" in the thirteen converter boxes brought to him over the last six months by Private Investigator [redacted]

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b7C

[redacted] stated that he knew of other people in the area also illegally putting "chips" inside cable converter boxes including an employee of Jones Intercable. [redacted] was not able to give any names of those people.

139C-CO-23576
JML:jml

On November 7, 1997, [redacted] a private investigator with [redacted] appeared at the Myrtle Beach Resident Agency of the FBI to discuss the on-going investigation of [redacted] has been retained by Jones Intercable to conduct an investigation into the illegal replacement of "chips" in cable converter boxes by [redacted] at [redacted] Radio Shack. [redacted] has been working in an undercover capacity providing [redacted] with converter boxes from Jones Intercable as well as Time Warner Cable and having [redacted] insert the "chip" in the boxes for $150 dollars per box. b6 b7C

Upon reviewing the investigative reports of [redacted] the following is a summary of the investigative activities conducted by [redacted] and his partner [redacted]

On May 7, 1997, Private investigators [redacted] and [redacted] met with their informant, [redacted] (PROTECT IDENTITY) in Myrtle Beach, South Carolina. The informant advised them [redacted] b6 b7C b7D

On May 8, 1997 [redacted] and [redacted] met with [redacted] and engaged them in conversation. [redacted] advised them that they regularly install "chips" in the converter boxes at a cost of $150 dollars. [redacted] advised that he could handle a number of boxes as long as he knew the make and model number of the boxes. b6 b7C

On May 9, 1997, Jones Intercable provided [redacted] and [redacted] with $500 dollars and five Tocom converter boxes, all with security labels and photographs of the interior of each box. The $500 dollars was to purchase converter boxes with the "chips" inserted inside. Later on May 9 and on May 10 [redacted] and [redacted] met with [redacted] at the Radio Shack and paid for the converter box with the "chip" inside. They also supplied three more boxes for conversion.

On June 17, 1997 [redacted] and [redacted] met with [redacted] and gave them four Tocom converter boxes, all to have the "chips" placed inside. On June 25, 1997, [redacted] obtained $300 dollars from Jones Intercable and returned to Radio Shack to pick up the three Tocom converter boxes. b6 b7C

On August 14, 1997 [redacted] obtained a Tocom converter box from Jones Intercable and a Gerrold converter box from Time Warner Cable [redacted] brought both boxes to Radio Shack and gave them to [redacted]

139C-CO-23576-6

On September 26, 1997 [redacted] returned to the Radio Shack at [redacted] and was provided the two converter boxes he had previously given [redacted] both containing the "chip". [redacted] was given $300 dollars for the Two converter boxes [redacted] was instructed to "test" the Time Warner box in Columbia to make sure it worked before bringing more boxes from the Columbia area.

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On October 14 and November 10, 1997, [redacted] made recorded telephone calls to [redacted] at Radio Shack at [redacted] On November 3, 1997, Davis made a recorded telephone call to Radio Shack speaking to [redacted]

On November 7, 1997 [redacted] delivered six converter boxes to [redacted] at the Radio Shack. On November 16, 1997, [redacted] paid [redacted] $900 dollars and received the six original converter boxes , as well as, $150 dollars for one additional converter box. The six converter boxes were paid for by case funds obtained by this agent for this case.

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AUSA [redacted] had been contacted by [redacted] throughout his investigation and [redacted] has been given copies of all the reports made by [redacted]

UNITED STATES DEPARTMENT OF JUSTICE
FEDERAL BUREAU OF INVESTIGATION
CRIMINAL JUSTICE INFORMATION
SERVICES DIVISION
CLARKSBURG, WV 26306

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PCN 980282282905

SCFBIC000
SPECIAL AGENT IN CHARGE
FEDERAL BUREAU INVEST
FEDERAL BLDG SUITE 1357
1835 ASSEMBLY STREET
COLUMBIA, SC 29201-2430

DO NOT MAIL

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JUL 13 1998

FBI — COLUMBIA

KCM
7/13/98

(01/26/1998)

FEDERAL BUREAU OF INVESTIGATION

Precedence: ROUTINE **Date:** 07/10/1998

To: Columbia

From: [redacted]
SQ 5/Myrtle Beach RA

Approved By: [redacted]

Drafted By: [redacted] pc

Case ID #: 139C-CO-23576 (Closed)

Title: [redacted]
DBA, RADIO SHACK,
[redacted]
JONES INTERCABLE,
MURRELLS INLET, SC - VICTIM;
IOC - SIGNAL THEFT;

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b7C

Synopsis: Closing communication.

Details: On 06/06/1998 [redacted] was sentenced in federal court on one count of signal theft. [redacted] received 3 years probation and fined $3,600. There is no further investigation required. It is recommended that this case be closed.

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CC: 1 - Case Agent

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